Communications Workers of America AFL-CIO, CLC

501 Third Street, N.W. Washington, D.C. 20001-2797 202/434-1100



August 15, 2012

BY ELECTRONIC FILING

Marlene H. Dortch, Secretary Federal Communications Commission 445 Twelfth Street, S.W. Washington, DC 20554

Re: Applications of Cellco Partnership d/b/a Verizon Wireless, SpectrumCo, LLC, and Cox TMI Wireless, LLC for Consent to Assign Wireless Licenses WT Docket No. 12-4

Dear Ms. Dortch:

On August 13, Larry Cohen, President of the Communications Workers of America ("CWA") and Debbie Goldman, Telecommunications Policy Director, CWA, met with Chairman Julius Genachowski and his advisors, Rick Kaplan and Charles Mathias, to discuss the above-captioned proceeding.

Mr. Cohen expressed deep concern that the Commission appears to be headed for weak conditions that will discourage rather than incent Verizon to invest in FiOS. Absent strong conditions, Mr. Cohen noted that the transaction would eventually lead to FiOS abandonment, just as Verizon has neglected its copper-based DSL lines.

Mr. Cohen stressed that wireless will never substitute for robust wired infrastructure in terms of capacity and reliability. The United States cannot be the only global democracy without robust wireline at high speeds. The cable monopoly with high-speed broadband sold together with bundled video content at ever-escalating prices is not the answer. In the context of this transaction, the Commission has the opportunity to preserve and promote incentives for cross-platform competition driving investment, job creation, consumer choice, lower prices, and over-the-top video as an alternative to the cable monopoly.

As Mr. Cohen emphasized, the joint marketing agreements that are a critical component of the proposed Verizon Wireless/SpectrumCo/Cox transaction would have the opposite impact: they would reduce consumer choice and network investment, lead to higher prices and lower quality service, and significant job loss.¹

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¹ See Comments of Communications Workers of America and International Brotherhood of Electrical Workers, Applications of Cellco Partnership d/b/a Verizon Wireless, SpectrumCo, LLC, and Cox TMI Wireless, LLC for Consent to Assign Wireless Licenses, WT Docket No. 12-4 (Feb. 21, 2012) ("CWA/IBEW Comments"); Reply Comments of CWA/IBEW, WT Docket No. 12-4 (March 26, 2012) ("CWA/IBEW Reply Comments"); CWA Comments on the Impact of Verizon Wireless and T-Mobile to Assign AWS-1 Licenses on the Verizon Wireless/SpectrumCo/Cox Transactions, Attachment A,

By turning former competitors into partners, the joint marketing agreements would eliminate the incentive for Verizon Communications, the majority owner of Verizon Wireless, to continue aggressive marketing and build-out of its FiOS network. This would leave many communities in the Verizon footprint, including Boston, Baltimore, Buffalo, Albany, Syracuse and others, on the wrong side of the digital divide. And because Verizon has stopped selling stand-alone DSL, it will leave many consumers in the Verizon footprint with only one choice – the cable company – for broadband connection.

Mr. Cohen pointed out that reduced investment in FiOS will also mean fewer jobs.³ These are dire times for urban America and for working women and men. It is imperative that the Commission put job creation first, not last, in its evaluation of this and other policy issues.

Mr. Cohen emphasized that the negative impact of the commercial agreements can only be mitigated by strong conditions:

1. Prohibit Verizon Wireless and the cable companies from cross-marketing their service throughout the entire Verizon landline footprint. It is not enough to prohibit cross-marketing only in FiOS areas; the cross-marketing prohibitions must apply in DSL areas as well. This is necessary to maintain cross-platform competition (Verizon's copper-network DSL and voice services currently compete against the MSO's broadband and voice offerings) and to preserve incentives for Verizon to continue build-out of its FiOS network.

At a minimum, the Commission should prohibit cross-marketing throughout the entire Designated Market Areas (DMA) in which a portion of the DMA includes areas in which Verizon has already deployed or has committed to deploy FiOS. This condition will at least eliminate any transaction-related disincentives for Verizon to expand its FiOS build to the non-FiOS "doughnut" hole cities ringed by FiOS-deployed suburbs. It will also preserve competition between Verizon's copper-based DSL/voice services and those of the MSO, facilitate enforcement of the crossmarketing prohibition since it will apply in a contiguous media market, and leave open the opportunity for Verizon to do the right thing to close the digital divide by expanding its FiOS deployment from the suburbs to our cities.

2. Consistent with Commission action in past transactions, require Verizon to continue to offer FiOS broadband Internet access service and video service, expand in-region deployment to cover at least 95 percent of residential living units and households within the Verizon in-region territory, and require that a certain percentage of incremental deployment be to rural areas and low-income living units, with timetables, data reporting, and penalties for non-compliance. In evaluating past transactions, the Commission has noted that it weighs the public interest harm that will result from the transaction against the countervailing public interest benefit. The greater the public interest harm, the more the Commission must

[&]quot;Employment Impact of Investment in Fiber-to-the Premise Network," WT Docket 12-4 (July 10, 2012).("CWA Comments dated July 10, 2012").

² See Letter from Carly T. Didden, Counsel to CWA/IBEW to Marlene H. Dortch, Applications of Cellco Partnership d/b/a Verizon Wireless, SpectrumCo, LLC, and Cox TMI Wireless, LLC for Consent to Assign Wireless Licenses, WT Docket No. 12-4, Attachment B, "Verizon/Cable Deal: Slamming the Door on our High-Speed Future," July 24, 2012

³ See CWA Comments dated July 10, 2012.

find countervailing public interest benefits. In at least four recent transactions -- the AT&T/BellSouth merger (2007), the CenturyTel/Embarq merger (2009), the Frontier/Verizon sale (2010), and the Qwest/CenturyTel merger (2011) -- the Commission concluded that the Applicants' commitments to expand broadband deployment represented a significant transaction-related public interest benefit and served to offset transaction-related public interest harms. Because the proposed Transaction poses significant public interest harm, the Commission should seek substantial commitments by Verizon Communications to expand its FiOS network beyond the areas in which it has existing franchise agreements to build FiOS.

3. Require Verizon Wireless and the Cable Companies to make the services each of them provides each other and the intellectual property developed under the agreements to be available on a nonexclusive basis, and to make such services and intellectual property available to all requesting telecommunications carriers, cable service providers, and broadband Internet service providers on the same terms and conditions.⁵

Sincerely,

Debbie Goldman

Communications Workers of America

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cc: Chairman Julius Genachowski

Rick Kaplan Charles Mathias

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⁴ See, AT&T and BellSouth Corporation Application for Transfer of Control, Memorandum Opinion and Order, 22 FCC Rcd 5662, App. F (2007); In the Matter of Applications filed by Qwest Communications International Inc. and CenturyTel, Inc. d/b/a/ CenturyLink for Consent to Transfer Control, Memorandum Opinion and Order, WC Docket No. 10-110 (App. C) (March 18, 2011); In the Matter of Applications Filed by Frontier Corporation and Verizon Communications, Inc. for Transfer of Control, Memorandum Opinion and Order, WC Docket No. 09-95 (App. C) (May 21, 2012); In the Matter of Applications Filed for Transfer of Control of Embarq Corporation to CenturyTel, Inc., Memorandum Opinion and Order, WC Docket No. 08-238, (App. C) (June 25, 2009).

⁵ See CWA/IBEW Reply Comments.